

**GLENWOOD SCHOOL DISTRICT No. 401**  
**Klickitat County, Washington**  
**September 1, 1991 Through August 31, 1993**

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**Schedule Of Findings**

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1. The District Should Improve Controls Over Cash Receipting And Depositing Procedures

Our review of the district's accounting for cash receipting disclosed inadequate internal controls and noncompliance with statutory requirements. Specifically, we noted the following weaknesses:

- a. Fund Raisers for ASB Activities: Our review of district fund raising activities (e.g. athletic events and dances) disclosed that there were no accounting controls established or records maintained to ensure that all the moneys had been properly received and remitted intact to the central office.

RCW 43.09.200 states in part:

The accounts shall show . . . all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction . . . .

Without these basic records, there are no assurances that all the moneys collected during the fund raising activities were properly remitted to the central office. Also, these conditions increase the risk that errors and/or irregularities could occur and not be detected in a timely manner.

- b. Cash Receipt Depositing: Our review of the frequency of district deposits disclosed that money receipted at the district office is usually held for two to three weeks and sometimes a month before being deposited.

RCW 43.09.240 states in part:

Every public officer and employee, whose duty it is to collect or receive payments due or for the use of the public shall deposit such moneys collected or received by him with the treasurer of the taxing district once every twenty-four consecutive hours. The treasurer may in his or her discretion grant an exception where such daily transfers would not be administratively practical or feasible.

By not transmitting collections on a timely basis, the district is not obtaining maximum investment earnings on the money. Also, the district's failure to deposit moneys received in a timely manner results in a risk that errors or irregularities could occur and not be detected in a timely manner.

This condition exists because the district's administrative office is 35 miles from the nearest bank. District personnel stated they will immediately implement more timely deposits of cash receipts.

We recommend that:

- a. The district establish controls over fund raising activity receipting in order to ensure that all moneys have been properly received and remitted intact to the central office.
- b. The district deposit moneys receipted at least once a week, with the county treasurer's approval, in order to comply with statutory requirements.